

REMARKS

In view of the amendment to claim 54, it is submitted that the Election is traversed and all claims should be examined. It is noted that, in view of recent telephone Interviews between the attorney for applicant and the Examiner, it is agreed that claims 1-19 are considered to be in condition for allowance.

With respect to the other claims, the following is submitted. Regarding claim 20, none of the art cited or discussed teaches or suggests "recording the verbal instruction" received at the interactive terminal and then "transferring the recorded verbal instruction to a human for intervention in the [transaction] processing." This is supported in the Specification at page 23, lines 6-10. In the prior art, help desk or call center operations are provided for interacting with the customer but do not receive previously recorded verbal instructions submitted by the customer to an AI processor. There is no suggestion of doing so in the art.

Regarding claim 53, in the context of a point-of-sale system, none of the prior art teaches or suggests the combination of (i) "a microphone, a speaker, and a video display on which a character is animated, all for two-way interaction with the customer, and a payment system," (ii) an AI system which communicates with the customer via the animated character, and (iii) a human-controlled response system that "*continues to communicate with the customer via the same animated character after intervening in the transaction.*" In none of the prior art does a human-controlled response system

communicate with the customer via a common character with the AI system such that communications to the customer from both the AI system and human-controlled response system are substantially indistinguishable and such transfer of control is substantially seamless to the customer.

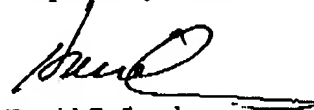
Regarding claim 54, none of the art teaches, particularly in the context of a commercial transaction, *returning control to the artificial intelligence routines for parsing of additional verbal instructions* from the customer during the same transaction, *after* intervention by the human-controlled response system.

Regarding new claim 55 (essentially a rewriting of now canceled claim 31), the art fails to teach (i) *recording the verbal instruction at a customer interaction terminal at a first location*, (ii) *transferring the recorded verbal instruction to a human controlled response system* at a second location, and (iii) the human controlled response system providing support for communication between the AI processor and the customer so that the commercial transaction can be completed. In regards to (iii), it is noted that in Pickering, if the voice recognition (VR) system fails to properly function, the interaction is transferred to a call center where the caller begins anew with an operator. The operator is not supporting the communication between an AI processor and the customer to complete a commercial transaction. None of the prior spoken responses by the customer are recorded and transferred to the operator. Rather, the operator supplants the function of the VR system and apparently starts over with the customer (at least at the beginning of the troubled portion of the transaction). In distinction, in the claimed system, the

human controlled response system supports the interaction between the customer and AI processor to facilitate complete of a commercial transaction.

In light of the above, it is submitted that the claims are in condition for allowance, and prompt allowance is earnestly requested. Should any issues remain outstanding, the Examiner is invited to call the undersigned attorney of record so that the case may proceed expeditiously to allowance.

Respectfully submitted,



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